GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1157
ANSWERED ON:22.07.2002
PRICE OF AGRO PRODUCTS
SURESH CHANDEL

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the price of agro-products are declining whereas the cost of agro- production is increasing day by day;

(b) whether cheap agro-products are coming in the country after lifting of quantitative restrictions on the imports thereof;

(c) if so, the steps proposed to be taken for improving the condition of farmers;

(d) whether the Government propose to enhance plan allocation for agriculture with a view to complete pending agriculture projects in the country; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): The prices of certain agricultural commodities are ruling below the minimum support prices (MSPs) at some centres of the country. The cost of production/cultivation has generally been rising because of the increase in wages of labour and increase in the prices of inputs, such as diesel, fertilizers, etc.

(b) to (c): Import restrictions on various items including food produce and allied products are being removed as part of the import liberalization programme of the Government and also in terms of our international obligations.

However, all imports in the country are subject to applicable rates of customs duties and are also subject to domestic laws, rules, orders, regulations, technical specifications, environmental and safety norms as applicable to domestically produced goods. This should provide adequate protection to domestic farmers.

India`s tariff bindings at WTO for most of the agricultural items are fairly high andeffective rates of customs duties can be raised to those levels, in case there is any evidence of substantial increase in imports.

Import duties on many of the agricultural items have been increased to provide further protection to domestic farming eg., duty on rice has been increased from 0% to upto 80%, on maize from 0% to 50%, on apples from 35% to 50%.

The imports are being closely monitored and Government is determined to ensure through appropriate use of the tariff mechanism that imports do not cause any detriment or injury to the domestic farmers.

(d) & (e): Plan allocations are made after duly taking into account both the pending projects as also new approved proposals and availability of total financial resources in the country. For the year 2002-03, plan allocation of Rs.2167 crore has been earmarked as against Rs.1985 crores for the year 2001-02 for the Department of Agriculture and Cooperation.